

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

JUAN REYES and
CATHERINE REYES,

Defendants.

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No. 1:21-cv-05578

Dist. Judge Margo K. Brodie

Mag. Judge Peggy Kuo

**DECLARATION OF DEBORAH D. COX IN SUPPORT OF PLAINTIFF UNITED
STATES OF AMERICA'S MOTION FOR SUMMARY JUDGMENT**

I, Deborah D. Cox, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a FBAR Penalty Coordinator at the United States Internal Revenue Service, 985 Michigan Avenue, Detroit Michigan 48226.

2. As part of my regular duties, I am asked by the United States Department of Justice to access and review IRS records of FBAR penalties as they relate to specific individuals and to print a statement of balances due. The records I review are created at or near the time of the act(s) or event(s) described by the records and are prepared by, or from information provided by, an IRS employee with knowledge of the act(s) or event(s). It is the regular practice of the IRS to create and preserve such records. In this case, the Department of Justice requested that I provide balance information for the FBAR penalties assessed against Juan Reyes and Catherine Reyes.

3. To determine the current balance of these liabilities, I accessed both the IRS FBAR database and Juan Reyes's and Catherine Reyes's account on the Bureau of the Fiscal Service's (BFS) Cross Servicing Next Generation (CSNG) system, which stores and tracks

debtor account information. The FBAR penalty assessment is made by the FBAR penalty coordinator, who enters information into the IRS FBAR database related to the IRS's determination of penalty. At or near the time an FBAR penalty assessment is made, our office sends the person assessed a Letter 3708 demanding payment of the FBAR penalty assessment (debt). If the IRS does not receive full payment of the FBAR penalty assessment within approximately 30 days, the FBAR penalty coordinator enters into CSNG the information pertaining to the debt including the amount of the debt and the delinquency date. CSNG calculates interest and penalties on the debt based on the information entered and also shows any collection costs charged by BFS related to the debt.

4. According to the information that I reviewed in the IRS FBAR Database and CSNG, Juan Reyes has the following unpaid balances due for the FBAR penalty assessments for calendar years 2010 through 2012:

| Description | Balance as of February 21, 2023 |
|---|--|
| Remaining amount due on principal amount of FBAR penalty assessment for 2010-2012 | \$420,051.00 |
| Interest | \$14,017.04 |
| 31 U.S.C. § 3717(e)(2) late-payment penalty | \$84,102.26 |
| TOTAL | \$518,170.30 |

5. According to the information that I reviewed in the IRS FBAR Database and CSNG, Catherine Reyes has the following unpaid balances due for the FBAR penalty assessments for calendar years 2010 through 2012:

| Description | Balance as of February 21, 2023 |
|---|--|
| Remaining amount due on principal amount of FBAR penalty assessment for 2010-2012 | \$420,051.00 |
| Interest | \$14,017.04 |
| 31 U.S.C. § 3717(e)(2) late-payment penalty | \$84,102.26 |
| TOTAL | \$518,170.30 |

6. Interest and delinquency penalties will continue to accrue from and after February 21, 2023, at the rates specified in 31 U.S.C. §§ 3717(a)(1) and (e)(2), until the debt is paid in full.

7. Costs related to the processing and handling of the debt will continue to be assessed pursuant to 31 U.S.C. § 3717(e)(1).

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 27th day of February, 2023, in Detroit, Michigan.

/s/ Deborah D. Cox
DEBORAH D. COX
FBAR Penalty Coordinator
Internal Revenue Service

CERTIFICATE OF SERVICE

I certify that on February 28, 2023, I served by electronic mail the foregoing document on the following counsel of record:

Richard E. Lerner, Esq.
Mazzola Lindstrom LLP
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New York, NY 10019
Email: richard@mazzolalindstrom.com
Counsel for the Defendants

Pursuant to this Court's individual rules, the foregoing document will only be filed when the Motion has been fully briefed, at which time the United States as movant will file the full set of Motion papers with the Court using the CM/ECF system, which will send notification of such filing to all registered CM/ECF participants.

/s/ Philip L. Bednar

PHILIP L. BEDNAR
Trial Attorney
Civil Trial Section, Northern Region